MINUTES OF AN ADJOURNED REGULAR MEETING OF THE TORRANCE CITY COUNCIL

1. CALL TO ORDER

The Torrance City Council convened in an adjourned regular session at 7:08 p.m. on Tuesday, February 10, 2004, in City Council Chambers at Torrance City Hall.

ROLL CALL

Present: Councilmembers Lieu, McIntyre, Mauno, Nowatka, Scotto,

Witkowsky, and Mayor Walker.

Absent: None.

Also Present: City Manager Jackson, City Attorney Fellows,

City Clerk Herbers, and other staff representatives.

2. FLAG SALUTE/INVOCATION

The Pledge of Allegiance was led by Councilmember Witkowsky.

Councilmember Nowatka gave the non-sectarian invocation for the meeting.

3. <u>AFFIDAVIT OF POSTING/WAIVE FURTHER READING</u>

MOTION: Councilmember McIntyre moved to accept and file the report of the City Clerk on the posting of the agenda for this meeting. The motion was seconded by Councilmember Lieu, and passed by unanimous roll call vote.

MOTION: Councilmember McIntyre moved that after the City Clerk has read aloud the number and title to any resolution or ordinance on the meeting agenda, the further reading thereof shall be waived, reserving and guaranteeing to each Councilmember the right to demand the reading of any such resolution or ordinance in regular order. The motion was seconded by Councilmember Lieu and passed by unanimous roll call vote.

4. WITHDRAWN OR DEFERRED ITEMS

Agenda Item No. 11E was deferred until after Executive Session.

5. COUNCIL COMMITTEE MEETINGS AND ANNOUNCEMENTS None.

6. **COMMUNITY MATTERS**

6A. RESOLUTION NO. 2004-16 RE FIRE CAPTAIN GARY L. STAHL RESOLUTION NO. 2004-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE HONORING GARY L. STAHL UPON HIS RETIREMENT FROM THE CITY AFTER TWENTY-SIX YEARS OF SERVICE

MOTION: Councilmember Lieu moved for the adoption of Resolution No. 2004-16. The motion was seconded by Councilmember Nowatka and passed by unanimous roll call vote.

Mayor Walker presented Resolution No. 2004-16 to Fire Captain Gary Stahl, who accepted with appreciation. Fire Chief Bongard commended Captain Stahl for his service.

6B. RESOLUTION NO. 2004-18 RE ROBERT B. WOERNER RESOLUTION NO. 2004-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TORRANCE HONORING ROBERT B. WOERNER UPON HIS RETIREMENT FROM THE CITY AFTER THIRTY YEARS OF SERVICE

MOTION: Councilmember Lieu moved for the adoption of Resolution No. 2004-18. The motion was seconded by Councilmember Nowatka and passed by unanimous roll call vote.

To be presented at a later date.

6C. RECOGNITION OF INDIVIDUALS WHO RESPONDED TO HELICOPTER ACCIDENT

Mayor Walker presented plaques commending **Aldo Espinoza**, **Dr. John Zasadny**, **Jess Costantini**, and **Ryan Morales** for their valiant actions following a midair collision between two helicopters at Torrance Municipal Airport on November 6, 2003.

7. CONSENT CALENDAR

7A. APPROVAL OF MINUTES JANUARY 6 AND JANUARY 13, 2004

7B. ASSET MANAGEMENT SYSTEM FOR POLICE DEPARTMENT

Recommendation

Recommendation of the **Chief of Police** that City Council authorize a sole source purchase and contract with VerdaSee Solutions, Inc., in the amount not to exceed \$58,268, for the design and installation of an asset management system to track the Police Department's weapons inventory.

7C. CONTRACT AMENDMENT FOR CHILLER REPLACEMENTS AT CITY HALL AND CIVIC CENTER LIBRARY

Recommendation

Recommendation of the **General Services Director** that City Council:

- 1) Approve a contract amendment with Precision Refrigeration & Air Conditioning Inc. (C2003-248) to increase the contract by \$18,132.36 for a total contract amount of \$290,946.36; and
- 2) Approve a contract amendment with KLG/Holland Inc., the architect, to extend the contract (C2003-046) term from January 31, 2004 to May 30, 2004.

7D. <u>EXTENSION OF PROFESSIONAL CONSULTING AGREEMENT RE DESIGN</u> OF WATER MAIN REPLACEMENT PROGRAM (I-24)

Recommendation

Recommendation of the **Public Works Director** that City Council:

- 1) Approve an amendment to the existing professional consulting services agreement with Cathcart, Garcia, von Langen Engineers (C2002-186), for professional consulting services for design of Water Main Replacement Program (I-24) to extend the contract term through April 13, 2004; and
- 2) Authorize the Mayor to execute and the City Clerk to attest to said amendment.

7E. CONSIDERATION OF MARCH 9, 2004 AS COUNCIL DARK NIGHT

Recommendation

Recommendation of the **City Manager** that City Council consider March 9, 2004 a Council dark night.

7F. AMENDMENT TO AGREEMENT RE WALTERIA AND BEN HAGGOTT RESERVOIRS LANDSCAPING AND DRAINAGE IMPROVEMENTS (CIP A-21)

Recommendation

Recommendation of the **Public Works Director** that City Council:

- 1) Approve Amendment No. 2 to agreement C2002-067 with Borthwick, Guy, Bettenhausen, Inc., to extend the term of their contract two months to provide construction management and inspection services for Walteria and Ben Haggott Reservoirs Landscaping and Drainage Improvements, CIP No. A21, in the amount not to exceed \$13,500;
- 2) Authorize the Mayor to execute and the City Clerk to attest to the amendment on behalf of the City; and
- 3) Appropriate \$15,000 from the Water Enterprise Fund to CIP No. A-21 to cover the \$13,500 for additional inspection services and \$1,500 for additional staff costs.

MOTION: Councilmember Mauno moved for the approval of Consent Calendar Items 7A through 7F. The motion was seconded by Councilmember Witkowsky and passed by unanimous roll call vote.

11. ADMINISTRATIVE MATTERS

11A. STATE OF LOCAL EMERGENCY RE CAROLWOOD LANE AND SINGINGWOOD DRIVE

Recommendation

Recommendation of the **City Manager** and the **City Attorney** that City Council continue the state of local emergency, proclaimed March 2, 2001 for properties located on Carolwood Lane and Singingwood Drive.

<u>MOTION:</u> Councilmember Scotto moved to concur with the staff recommendation. The motion was seconded by Councilmember McIntyre and passed by unanimous roll call vote.

11B. FIRST AMENDMENT TO GROUND LEASE RE DEL AMO MALL TRANSIT CENTER Recommendation

Recommendation of the **City Manager** that City Council authorize the Mayor to execute and the City Clerk to attest to a First Amendment to Ground Lease (This "First Amendment") by and between Del Amo Mills Limited Partnership, a Delaware limited partnership ("MILLS") and the City of Torrance, a California municipal corporation ("CITY") relating to the Torrance Transit Center located at the Del Amo Mall.

Assistant to the City Manager Sunshine reported that the proposed amendment would allow for the temporary relocation of the Torrance Transit Center to the former Montgomery Wards Automotive Service Center until September 30, 2004. He noted supplemental material available at the meeting consisting of a change to the agreement providing for the extension of the lease on a month-to-month basis at \$4739 per month, which would be subtracted from the \$976,324 reimbursement to the City.

MOTION: Councilmember Witkowsky moved to concur with the staff recommendation. The motion was seconded by Councilmember Scotto and passed by unanimous roll call vote.

11C. <u>LEASE WITH BENBOW AVIATION FOR TEN CITY-OWNED TIE-DOWNS</u>

Recommendation

Recommendation of the **Land Management Team** that City Council authorize the Mayor to execute and the City Clerk to attest to a five (5) year lease by and between Benbow Aviation, Inc., and the City of Torrance for 9,982 square feet at Zamperini Field at the monthly rate of \$529 on which ten City-owned tie-downs are situated.

MOTION: Councilmember Scotto moved to concur with the staff recommendation. The motion was seconded by Councilmember McIntyre and passed by unanimous roll call vote.

11D. MARCH 2 BALLOT MEASURES

Recommendation

Recommendation of the **City Council Legislative Ad Hoc Committee** that City Council concur with the March 2, 2004 ballot positions recommended by the committee and take a position on the four initiatives.

Assistant to the City Manager Keane reviewed the criteria used to determine whether the City should take a position on an initiative or remain neutral. She provided an overview of the four State measures on the March 2, 2004 ballot; summarized the arguments for and against each measure; and discussed the Legislative Ad Hoc Committee's recommendations.

Following a brief discussion, the Council concurred with the committee's recommendations as follows:

State Ballot Number	Title	Committee Recommendation	Motion
55	Kindergarten-University Public Education Facilities Bond Act of 2004	No position	(Scotto/Nowatka) Unanimous
56	State Budget, Related Taxes, Reserve Voting Requirements, Penalties	Oppose	(Scotto/Nowatka) Unanimous
57	The Economic Recovery Bond Act	Oppose	(Scotto/Nowatka) Yes: Lieu, Mauno, McIntyre, Nowatka, Scotto, and Witkowsky. No: Mayor Walker
58	The California Balanced Budget Act	Oppose	(Scotto/Nowatka) Yes: Lieu, Mauno, McIntyre, Nowatka, Scotto, and Witkowsky. No: Mayor Walker

With regard to his decision to support Propositions 57 and 58, Mayor Walker stated that he believed they would provide breathing room for the State to get its financial house in order, and noted that should the propositions not be approved, the budget deficit would immediately be increased by \$15 billion forcing lawmakers to raise taxes or make draconian cuts in State programs.

(No member of the public came forward to speak on this matter.)

11E. MEMORANDUM OF INTENT FOR TORRANCE PROFESSIONAL AND SUPERVISORY ASSOCIATION, ENGINEERS AND TORRANCE FISCAL EMPLOYEES ASSOCIATION

Recommendation

Recommendation of the **City Manager** that City Council concur in principle with Memoranda of Intent for the Torrance Professional and Supervisory Association (TPSA), Engineers, and the Torrance Fiscal Employees Association (TFEA).

Considered out of order, see page 11.

11F. CONSIDERATION OF PROPOSED AGREEMENTS WITH BEVERAGE AND SNACK VENDING PROVIDERS

Recommendation

Recommendation of the **Parks and Recreation Director** that City Council approve agreements negotiated by the City's Consultant, Michael Hogue, between the City of Torrance and:

- Pacific Snapple Distributors, Inc., and 7up-Royal Crown Bottling Company of Southern California, for exclusive vending of cold beverages and water products; and
- G &G Vending, for exclusive vending of hot drinks and snacks.

Parks and Recreation Director Barnett noted supplemental material consisting of responses to Councilmembers' questions submitted prior to the meeting.

Councilmember Scotto stated that it seemed disproportionate that G & G Vending would pay the City only \$5,000 for the first four years/\$6,000 for the remaining three years for 25-35 machines when, at the same time, Pacific Snapple Distributors would be paying \$140,000 per year for 75-85 machines.

Michael Hogue, the City's consultant, explained that there is very little profit in hot beverage and snack machines and that none of the beverage companies that submitted proposals were interested in this aspect of the business. He noted that G & G Vending has been doing business in the City for a number of years and stated that he thought the company's offer was very generous given the number of machines and the potential for making a profit.

Councilmember Scotto noted that when this idea was originally discussed, residents expressed concerns about making sugary, carbonated beverages available at locations where young people congregate, such as parks and schools.

Mr. Hogue reported that Pacific Snapple Distributors and 7up-Royal Crown Bottling Company, who are competitors in the soft drink market even though they are owned by the same parent company, forged an unprecedented agreement in order to provide a mix of products that works for both the City and the school district, noting that carbonated beverages are only allowed to be sold at high schools. He indicated that 18 cold drinks would be offered, including teas, water, isotonics, juices and soft drinks.

Noting that he was a member of the committee (Citizen Development and Enrichment Committee) that originally considered this idea, Councilmember Nowatka expressed regret that the contract was not brought back to committee for review before being presented to the full council because it was significantly different than what the committee had envisioned. He voiced concerns that the City would be responsible for approximately \$18,000 per year in utility costs even though the committee made it clear that the vending company was to pay for the cost of electricity. He pointed out that this

cost would rise should the number of machines be increased to the maximum of 120, yet the City would receive no additional compensation. He was also concerned about the provision requiring the City to give the vendor 60 days notice before repairing a machine and questioned whether the City would be able to immediately secure, repair or remove a machine should there be an issue involving public safety.

Mr. Hogue responded that he was not aware of any contract in which the cost of electricity was being paid by the vendor/beverage company; that this expense was built into the annual contract fee; and that the \$18,000 estimate (based on \$22 per month per machine) was somewhat inflated because snack and coffee machines typically cost \$5-6 per month to operate.

With regard to the 60-day notice, Mr. Hogue explained that this is a standard provision in this type of contract; that it is in the vendor's best interest to keep the machines in good operating condition; and that phone numbers and email addresses would be posted on machines so that someone could be contacted immediately should a problem arise. He expressed confidence that vendors would take care of the machines and this would not be an issue. He suggested the possibility of reducing the timeframe to 30 days with the concurrence of legal counsel.

Mayor Walker noted that it was necessary to forego the committee's review of the contract because the City was holding up the processing of the school district's vending contract and that he had previously discussed this with Councilmember Nowatka.

Referring to Section 9 of the contract (Additional Opportunities), Councilmember McIntyre stated that, as a member of the committee, she did not recall discussing the distributors' exclusivity at all City events or that the City would be obligated to use its best efforts to mention the distributors' products in all news releases regarding these events.

Mr. Hogue explained that although the City cannot match the school district's track record in terms of sales of product, the City has a potential for marketing opportunities that the school district does not have due to various restrictions; that this issue was highlighted in order to leverage the contract; and that among the ideas discussed were including a logo link on the City's website and an ad in the *Torrance Seasons* publication. He noted that anything that is done in this area would require the City Council's approval and suggested that this is a work in progress and should be viewed as an opportunity for the City and the vending companies to work together for their mutual benefit.

In response to Councilmember Mauno's inquiry, Mr. Hogue confirmed that security cages would be installed by the vending company to protect machines against vandalism in outdoor areas if they are deemed necessary.

Councilmember Lieu questioned whether the City had the ability to terminate the agreement without cause or renegotiate the terms should the vending machines turn out to be a lot more profitable than expected.

Mr. Hogue related his understanding that the agreement could not be terminated unless there was a serious breach of contract. He pointed out that the companies will be making a substantial investment in new vending machines and they must have some assurance that they will have an opportunity to recoup this investment. He suggested that as a partner with the vending companies, the City should hope that they make a good profit; explained that the profit margin on this type of operation is very small; and expressed confidence that the proposed agreement maximized income potential for the City.

Mayor Walker commented on the intense negotiations that took place in arriving at the proposed agreement; noted that Torrance is one of a few cities that is able to generate funds to support Parks and Recreation programs through this type of effort; and stated that while the first steps are always the most difficult, he was confident that any problems that develop would be resolved.

In response to Councilmember Nowatka's inquiry, City Attorney Fellows provided clarification regarding the provision in the contract allowing the distributors/vending companies to reevaluate the agreement after the third year, and City Manager Jackson explained how the proposals from the vending companies were obtained.

Councilmember Nowatka acknowledged that Mayor Walker had discussed with him the need to bypass the committee and bring the contract directly to the Council, but stated that, at the time, he had no idea the contract would be so vastly different from what was previously discussed. He reiterated concerns about having the machines repaired in a timely manner.

In response to Councilmember Scotto's inquiry, City Manager Jackson provided clarification of the provision requiring that the distributors/vending companies be given 10 passes to City events.

Referring to Section 11 (Marketing/Advertising Rights), Councilmember Scotto expressed surprise that the vending companies would be allowed to advertise their products on the back of buses, noting that this idea was previously rejected as a means of generating funds. He pointed out that while the companies would bear the costs associated with transit advertising, no mention is made of costs incurred for advertising on the website or in the *Seasons* publication. He commented on the difficulty of revising a contract at a Council meeting.

Mayor Walker stated that a phenomenal amount of work went into the proposed agreement at staff level and that the committee provided very valuable input during the initial stages but was never meant to function as a document writer. He pointed out that a variety of things are included on the City's website and in *Torrance Seasons* magazine and that the cost to include an ad for the vending companies was miniscule. He suggested that the City wants people to know that by utilizing the vending machines, they are helping Parks and Recreation programs. He noted that while the agreement is not the multi-million dollar agreement originally envisioned, over the term of the contract, it would net \$700,000 to \$800,000 for Parks and Recreation programs as opposed to the \$7,000 currently generated for AFSCME and approximately \$2,000 for Torrance Police Officers Association.

Councilmember Lieu expressed his preference that the contract include a provision allowing the City to reevaluate the contract after three years.

Mayor Walker explained that the contract started out as a five-year agreement and evolved into a seven-year agreement due to the cost involved with the new vending machines and that the third-year review was intended only for fine-tuning. He reported that he listened to Coca-Cola's presentation and Snapple/7up-Royal Crown's presentation "blew it away"; indicated that he could not envision anything that would cause the City to want to terminate the agreement in the middle of the term; and voiced his opinion that the contract was adequate for the City's needs.

Councilmember Nowatka stated that it appeared that none of the items that blew away the competition made it into the contract and questioned what Snapple/7up-Royal Crown would do for the community beyond providing 100 cases of soft drink products.

Mayor Walker explained that Snapple/7up-Royal Crown's proposal was superior in every way, offering more money, better and more diverse products, and products more acceptable to parents.

Voicing support for the contract, Councilmember Mauno stated that he thought it was a good example of thinking "outside the box" to find new sources of revenue. He pointed out that the City currently realizes very little benefit from vending machines and does not even know where some of the machines came from. He maintained that it was not practical to require vending companies to pay electricity costs because it would require sub-metering of outlets and redoing electrical panels. He expressed confidence in City staff's ability to craft an agreement that meets the City's needs and indicated that he felt comfortable going ahead with this partnership.

Councilmember Witkowsky also voiced support for the proposal, stating that it would provide a new source of income for the City and putting it off any longer could impact the school district, which is in dire need of additional funds.

Indicating that he would support the contract, Councilmember Lieu stated that he would take Mr. Hogue's representation that the contract was leveraged as much as possible at face value and that he did not feel it was his role to second guess City staff's negotiations.

For the benefit of the audience, Councilmember Nowatka clarified that the school district has its own separate vending machine contract and noted that the revised figure for the City's net income from 120 vending machines was \$97,260 per year. He stated that he would support the contract but was uncomfortable with the idea that it was a work in progress because of its seven-year term.

MOTION: Councilmember Mauno moved to concur with staff recommendation to accept an annual fee of \$140,000 for the exclusive vending of cold beverages and water products and an annual fee of \$5,000 for exclusive vending of hot drinks. The motion was seconded by Councilmember Scotto and passed by unanimous roll call vote.

Mayor Walker congratulated everyone who worked so hard to put this agreement together.

11G. REVIEW OF INITIATIVE SPONSORED BY THE LEAGUE OF CALIFORNIACITIES

Recommendation

Recommendation of the **City Manager** that City Council review information regarding a November 2, 2004 ballot measure sponsored by the League of California Cities, and if agreed, adopt a Resolution supporting the League-sponsored initiative.

Councilmember Witkowsky briefly summarized the proposed initiative sponsored by the League of California Cities, which would require voter approval before the legislature could reduce local government revenues or take them for state, rather than local purposes, and urged that Torrance join with cities from El Segundo to Palos Verdes that have endorsed it.

<u>MOTION:</u> Councilmember Witkowsky moved to concur with the staff recommendation. The motion was seconded by Councilmember Scotto and passed by unanimous roll call vote.

RESOLUTION NO. 2004-21

A RESOLUTION BY THE TORRANCE CITY COUNCIL SUPPORTING A STATEWIDE BALLOT INITIATIVE TO REQUIRE VOTER APPROVAL BEFORE STATE GOVERNMENT MAY CONFISCATE LOCAL TAX FUNDS

<u>MOTION:</u> Councilmember Lieu moved for the adoption of Resolution No. 2004-21. The motion was seconded by Councilmember Witkowsky and passed by unanimous roll call vote.

The Redevelopment Agency met from 8:49 p.m. to 9:25 p.m.

16. ORAL COMMUNICATIONS

- **16A.** City Clerk Herbers announced that the City Clerk's Office would be accepting applications for a seat on Community Services Commission; that applications were available on the City of Torrance website or by calling the City Clerk's office at 618-2870; and that they would be accepted until 5:30 p.m. on Wednesday, February 18, 2004, with appointments to be made at the February 24, 2004 City Council meeting.
- **16B.** City Clerk Herbers stated that the last day to register to vote for the March 2nd election was February 17th and that early touch screen voting was available at the Redondo Beach city library from February 18th through February 28th. She noted that the polls would be open from 7:00 a.m. to 8:00 p.m. on election day.
- **16C.** Police Chief Herren announced that a community meeting would be held on Wednesday, February 11, at 7:00 p.m. in the Torrance High auditorium, to address concerns about the unusual amount of criminal activity that has occurred in the area of Sepulveda Boulevard and Western Avenue and to discuss the enhancement of safety in that neighborhood.
- **16D.** Councilmember Lieu congratulated the Police Department on an excellent narcotics investigation leading to the arrest of five suspects and the seizure of 1,300 lbs. of marijuana.
- **16E.** Councilmember Lieu also congratulated the Police Department on having one of the lowest rate of reported hate crimes, noting that there were only three reported incidents in 2003.
- **16F.** Councilmember McIntyre announced a lecture by Yolanda King to be held February 22nd at 4:00 p.m. at the James Armstrong Theatre, sponsored by American University of Women and the League of Women Voters, noting that tickets could be purchased for \$30.
- **16G.** Councilmember McIntyre also announced that Hawthorne Savings offers a program for students who open or currently have savings accounts at the bank and maintain a certain grade point average, with the bank matching a portion of the amount in the account.
- **16H.** Councilmember Witkowsky announced that applications for the Section 8 Housing assistance waiting list would be available beginning February 25th at the Toyota Meeting Hall located in the Cultural Arts Center on that day only, and from then on applications could be obtained through the housing assistance office in the West Annex of City Hall.

- **16I.** Councilmember Witkowsky asked, with the concurrence of Council, that staff look into bringing an item forward to Council regarding the Torrance Rose Float Association's request for additional financial assistance from the City and options for funding the request.
- **16J.** Jana Shepard, resident, spoke on the poor condition of Newton Street between Vista Montana and Hawthorne Boulevard and asked about the City's plans for repair or reconstruction of the street.

In response to Ms. Shepard's question, City Manager Jackson stated the City is currently in negotiations with the County regarding the repair of Newton Street and advised that Public Works Director Bell would be in contact with her and the other residents on Newton as to the final outcome.

17. EXECUTIVE SESSION

At 8:56 p.m., the Council recessed to closed session to confer with the City Manager and the City Attorney on agenda matters listed under 17A) Conference with Labor Negotiator; 17B) Real Property – Conference with Real Property Negotiator; and Redevelopment Agency Agenda Item 10A) Real Property – Conference with Legal Counsel – Anticipated Litigation Update, as authorized by California Government Code Sections 54957.6, 54956.8, and 54956.9 (c).

The Council reconvened in open session at 9:23 p.m. Agenda Item 11E was considered out of order at this time.

11E. MEMORANDUM OF INTENT FOR TORRANCE PROFESSIONAL AND SUPERVISORY ASSOCIATION, ENGINEERS AND TORRANCE FISCAL EMPLOYEES ASSOCIATION

Recommendation

Recommendation of the **City Manager** that City Council concur in principle with Memoranda of Intent for the Torrance Professional and Supervisory Association (TPSA), Engineers, and the Torrance Fiscal Employees Association (TFEA).

<u>MOTION:</u> Councilmember Scotto moved to concur with the staff recommendation. The motion was seconded by Councilmember McIntyre and passed by unanimous roll call vote.

18. ADJOURNMENT

At 9:25 p.m., the City Council adjourned to Tuesday, February 24, 2004 at 5:30 p.m. for an executive session, with the regular meeting commencing at 7:00 p.m. in the Council Chambers. **Tuesday, February 17, 2004 will be a Council dark night.**

	/s/ Dan Walker	
Attest:	Mayor of the City of Torrance	
/s/ Sue Herbers		
Sue Herbers, CMC	Approved on April 13, 2004	
City Clerk of the City of Torrance		